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BEFORE THE ARIZONA CORPORATION COMMISSION

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AZ CORP COMMISSION
DOCKET CONTROL

COMMISSIONERS

KRISTIN K. MAYES

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IN THE MATTER OF THE APPLICATION OF
SULPHUR SPRINGS VALLEY ELECTRIC
COOPERATIVE, INC. FOR A HEARING TO
DETERMINE THE FAIR VALUE OF ITS
PROPERTY FOR RATEMAKING PURPOSES,
TO FIX A JUST AND REASONABLE
RETURN THEREON, TO APPROVE RATES
DESIGNED TO DEVELOP SUCH RETURN
AND FOR RELATED APPROVALS.

DOCKET NO. E-01575A-08-0328

NOTICE OF ERRATA

Staff of the Arizona Corporation Commission ("Staff") hereby files this Notice of Errata with regard to the direct testimony of Jerry E. Mendl. Mr. Mendl inadvertently omitted the Company's response to data request JEM 14.22 in Exhibit JEM-3 of his direct testimony and through this notice replaces the incomplete Exhibit JEM-3 with a revised and complete Exhibit JEM-3.

As a result of this revision to Exhibit JEM-3, the following changes are necessary to Mr. Mendl's direct testimony:

Page 6, Line 7, insert "page 1," after "JEM-3,"

Page 7, line 4, replace "pages 1 and 2" with "pages 2 and 3"

Staff has attached a revised Exhibit JEM-3 to this Notice of Errata.

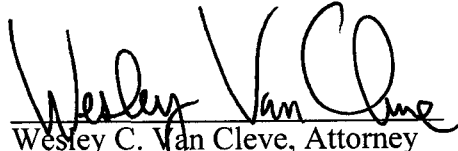
RESPECTFULLY SUBMITTED this 19th day of February, 2009.

Arizona Corporation Commission

DOCKETED

FEB 19 2009

DOCKETED BY


Wesley C. Van Cleve, Attorney

Legal Division

Arizona Corporation Commission

1200 West Washington Street

Phoenix, Arizona 85007

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1 Original and thirteen (13) copies
2 of the foregoing were filed this
3 19th day of February, 2009 with:

4 Docket Control
5 Arizona Corporation Commission
6 1200 West Washington Street
7 Phoenix, Arizona 85007

8 Copies of the foregoing mailed this
9 19th day of February, 2009 to:

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12 Roseann Osorio

EXHIBIT A

**RESPONSE OF SSVEC
TO ARIZONA CORPORATION COMMISSION
STAFF'S FOURTEENTH SET OF DATA REQUESTS
DOCKET NO. E-01575A-08-0328**

December 15, 2008

JM 14.29 Please explain in detail whether and how SSVEC's organizational structure related to purchase power acquisition changed given the changed responsibilities in going from the full requirements contract with AEPCO to a partial requirements contract.

Response: SSVEC has not made changes to its organizational structure as a result of the conversion to partial requirements service. Some additional responsibilities are carried by existing positions however. The CEO retains overall management and decision-making authority for power supply decisions. The Chief Financial and Administrative Officer oversees the day-to-day power procurement, scheduling, and sales activities. SSVEC manages the remaining workload through contract services with WAPA as its scheduling and GDS Associates, Inc. as its power supply consultant.

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**RESPONSE OF SSVEC
TO ARIZONA CORPORATION COMMISSION
STAFF'S FOURTEENTH SET OF DATA REQUESTS
DOCKET NO. E-01575A-08-0328**

December 15, 2008

- JM 14.22** Please describe the organizational structure for implementation and oversight of SSVEC's purchase power procurement method, including:
- a) Identify who has responsibility for determining the volumes of purchase power to be procured.
 - b) Identify who has responsibility for securing bids.
 - c) Identify who has responsibility for evaluating offers.
 - d) Identify who has responsibility for deciding to accept or reject offers.
 - e) Identify the levels of management approval required to enter into a purchase power contract.
 - f) Identify who has responsibility for SSVEC's price risk management activities.
 - g) Identify who has ultimate authority for decisions regarding purchase power procurement.
 - h) How does SSVEC monitor the results of its purchase power procurement process, including how it determines whether situational deviations from its policies/procedures are needed?

Response:

- a) The SSVEC Chief Financial and Administrative Officer (CFO) gathers information and recommendations from both WAPA and SSVEC consultants, and collectively the group decides what products to procure with the final decision being made by the CFO. SSVEC's Chief Executive Officer (CEO) is consulted in advance of all purchase decisions.
- b) WAPA requests bids for products on behalf of SSVEC.
- c) The CFO gathers suggestions from both WAPA and SSVEC consultants, and collectively the group decides what products to procure with the final decision being made by the CFO.
- d) The CFO gathers information and provides recommendations on offers to the CEO.
- e) The CEO approves all major purchases.
- f) The CFO is responsible for price risk management.
- g) The SSVEC Board of Directors approves company budgets which include power supply. The CEO approves expenditures approved in the budget including power supply agreement. The CFO works with WAPA and SSVEC consultants on day to day operational matters.
- h) The Board of Directors and the CEO are provided with monthly updates on the power supply activities. WAPA monitors the power markets on a daily basis for potential purchases that could be beneficial to SSVEC.

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TO ARIZONA CORPORATION COMMISSION
STAFF'S FOURTEENTH SET OF DATA REQUESTS
DOCKET NO. E-01575A-08-0328**

December 15, 2008

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